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Grain and Feed

Rice Product Brief

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Report Highlights: Rice is usually eaten in Bosnia Herzegovina (BiH) as a side dish and consumption has been stable over the past few years. Total imports of rice in 2001 were around 6,500 MT (\$2,715 000) with Italy being the largest single supplier. For some Bosnians, rice holds an image as a 'wartime food' but this is changing with the introduction of long grain parboiled and other upscale varieties. This report provides trade and pricing data, information on importers, and general import regulations.

Includes PSD changes: No
Includes Trade Matrix: No
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Rice Market and Consumption

There are 3.75 million people in Bosnia Herzegovina¹ (BiH) and annual per capita consumption of rice is below 2 kg. Rice is usually eaten in BiH as a side dish and consumption has been quite stable over the past few years. BiH produces no rice and import data may serve as a proxy for consumption. 85% of rice is imported from three countries, Italy (35,5%), Slovenia (30%) and China (19,5%). However, the rice sometimes does not originate from the country of export – Slovenian and Austrian rice are actually processed Italian, Chinese and Pakistani rice. Therefore, the Italian rice share is more likely around 50%. Officially, direct U.S. imports in 2001 were approximately \$22,000 (less than 1% of total import); however, the figure is really much higher because U.S. rice is processed in the EU countries and then imported to BiH.

The best known rice brand names in BiH are Zlato Polje (Droga, Slovenia), Kresto (Marap, Austria), Uncle Ben's (Master Foods, Belgium) and Eurico (Riso Eurico, Italia). Large quantities of first and second class rice are imported in bulk, for the most part from Italy, and prepackaged by a number of local companies in cheap plastic bags of ½ and 1 kg. Rice exports from Italy are often subsidized by the EU. The price for this prepackaged rice is \$0.45 – \$0.60 (1000 g). There are only few dry ready-to-eat rice meals on the market.

Table 1: Rice on the BiH market by origin, brand, producer, importer, type, weight and price
(08/02/2001 \$1,00 = KM 1,99)

| Origin of rice | Brand name | Producer | Importer | Type of rice | Packaging Weight (g) | Retail price \$ |
|----------------|------------|----------------|---|---|----------------------|-----------------|
| U.S. | Kresto | Marap, Austria | PIMS Igmanska 36, 71000 Sarajevo +387 33 424 140 | Parboiled, long grain (boiling bags) | 4x125 | 0,78 |
| U.S. | Kresto | Marap, Austria | PIMS Igmanska 36, 71000 Sarajevo +387 33 424 140 | Wild and Parboiled, long grain (boiling bags) | 4x125 | 2,18 |

¹According to the Dayton Peace Agreement signed in December 1995, Bosnia and Herzegovina (BiH) is divided into two Entities: the Federation of Bosnia and Herzegovina (F BiH) and Republika Srpska (RS). Understanding this dual governmental structure is important to doing business in the country.

| | | | | | | |
|----------|-----------------------|--|--|---------------------------------------|------------|--------------|
| U.S. | Uncle Ben's | Master Foods Belgium | ATACO d.o.o., Put zivota 12, 71000 Sarajevo +387 33 231 228 | Parboiled long grain | 500 | 1,10 |
| U.S. | Uncle Ben's | Master Foods Belgium | Darta Trgovina Truve Anekuce 46, 78000 B.Luka +387 51 312 1280 | Parboiled long grain brown rice | 500 250 | 0,97 0,57 |
| Italy | Mondena | Solo s.r.l. Italy | Rival 78000 Banja Luka | Parboiled long grain Brown rice | 1000 | 0,64 |
| Italy | F.URL Every Day | F.URL & CO | Mercator Sarajevo Lozionicka 16, 71000 Sarajevo +387 33 656 966 | Medium grain | 1000 | 0,87 |
| Italy | Eurico | Riso Eurico Italia | Eurobest 311 Lahke brigade,72240 Kakanj +387 32 754 021 | Medium grain | 1000 | 0,72 |
| Italy | Splendor | Riseria Monferrato Italia | Megamix d.o.o. Lozionicka, 71000 Sarajevo +387 33 663 739 | Short grain | 1000 | 0,88 |
| Italy | Zlato polje | Droga Portoroz Slovenia | Droga d.o.o. Zmaja od Bosne 14c/2, 70000 Sarajevo +387 33 231 883 | Medium grain | 1000 | 1,49 |
| Pakistan | Zlato polje | Droga Portoroz Slovenia | Droga d.o.o. Zmaja od Bosne 14c/2, 71000 Sarajevo +387 33 231 883 | Basmati | 500 | 1,30 |
| Thailand | Bonito | Mladeks-pak Beogradska bb, 78430 Prnjavor +387 51 863 215 | | Round grain | 500 | 0,28 |
| China | | Vispak Visoko Ozrakovici bb, 71300 Visoko +387 32 738 334 | | Round grain | 1000 | 0,53 |

Consumer Perception

During the war in BiH (1992-1995) cheap broken rice became a staple which many Bosnians were forced to eat. Thus, a negative perception of rice as a food persists in some circles because of its association as a low quality 'wartime' food. However, parboiled rice, long grain rice in boiling bags, and basmati are relatively new to the BiH market and have generally raised the interest of domestic consumers for rice.

The U.S. rice processed in the EU and then imported to BiH is generally more expensive than the Italian rice of the same grade.

Rice Imports

Total import of rice in 2001 were around 6,500 MT or \$2,715 000.

Table 2: Official imports of rice to BiH in 2001 by value and by market share:

| Country | Value of Imports (\$) | Market share (%) |
|-------------|-------------------------|------------------|
| ITALY | 965,585 | 35.5 |
| SLOVENIA | 808,480 | 30 |
| CHINA | 529,697 | 19.5 |
| EGYPT | 104,649 | 4 |
| CROATIA | 80,024 | 3 |
| SWITZERLAND | 74,618 | 2.7 |
| INDIA | 53,489 | 2 |
| AUSTRIA | 31,450 | 1.2 |
| U.S.A. | 21,970 | 0.8 |

Sources: FBiH and RS Customs Administration

Italian market share is more likely around 50% because Slovenia imports and processes large quantities of Italian rice.

Table 3: Imports of rice to BiH in 2001 by type

| Rice | Value (\$) | Share (%) |
|---------------------|--------------|-----------|
| Polished and glazed | 2,419,095 | 89 |
| Parboiled | 205,528 | 7,6 |
| Brown | 70,352 | 2,6 |
| Broken | 19,095 | 0,7 |
| Rough | 9,045 | 0,03 |

Sources: FbiH and RS Customs Administration

Costs and Prices

Imports of rice are duty free (import tariff 0%);
Inspection fees differ between the F BiH and the RS:

Federation of BiH

The phyto-sanitary inspection fee for goods shipped by train and trucks is KM30 (\$15,07) up to 10 t, plus KM2 (\$1,00) for each additional ton, and for goods shipped by ships the fee is KM2 (\$1,00) per tone, minimum KM50 (\$25,12) per shipment. The sanitary inspection fee is KM41 (\$20,60) per truck or freight car. The market inspection fee is KM30 (\$15,07) up to 10 t, plus KM3 (\$1,50) for each additional ton;

Storage fees are approximately KM5 /t (\$2.51) but generally are negotiable, unloading and loading costs excluded.

Republika Srpska

The phyto-sanitary inspection fee is KM25 (\$12,56) up to 10 t, plus KM2 (\$1,00) for each additional ton. The sanitary inspection fees are KM20 (\$10,05) up to 4 t, KM50 (\$25,12) from 4 - 20 t and KM2 (\$1,00) for each additional ton. The market inspection fee is paid for the tax stamp stamped to the form. A storage fee is approximately KM15 (\$7,54) per ton, up to 30 days, unloading and loading costs included.

Import regulations, standards, and procedures

Importers do not need an import permit. The phyto-sanitary inspection is done at the border crossing. The sanitary inspection takes place at the customs clearance point. The market inspection units control the imported foods quality and labeling. The market inspection is usually done at the customs point, but may also be done later on after retail distribution.

Labeling and packaging requirements

The Law on Sanitary Correctness of Food and Goods of General Use (old Yugoslavia Official Gazette 53/91) generally regulates labeling requirements for food. According to the Law, a label must be present in both originally and bulk packaged foods and must indicate the following: expiry date, type and content of food additives, type and content of added vitamins, minerals, and other ingredients added to enrich the product's nutritional value.

Labels on foods that have been changed nutritionally for people on special diets must clearly indicate "dietetic food". Labels must not indicate possible medicinal characteristics of foods.

The Law on Quality Control of Imported and Exported Goods (FBiH - Official Gazette 21/97, old Yugoslavia Official Gazettes 28/75, 70/78, 54/86, 30/91) says that a label must clearly indicate the name of the product, manufacturer's complete address, name and address of the importer, and important information such as net weight in metric units, ingredients, instructions for use (if necessary) and storage and any important information and warnings.

If an original label is in English (e.g. standard U.S. label) or any other language, the seller is obliged to prepare translated stick-on labels and deliver them together with imported products. It is the importer's obligation to stick those translated labels on products prior to retail distribution.

There are no specific packaging requirements.

Food Additive Regulations and Pesticide and Other Contaminants

Note Please refer to FAIRS Report [BK 2003](#) (this report may be downloaded from <http://www.fas.usda.gov/scripts/attacherep/default.asp>)

Key Contacts and Further Information

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